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N° 113 – March 2009

GENERAL INTEREST

The Outlook for Productivity Growth: Symposium Summary

Federal Reserve Bank of San Francisco – Economic Letter – March 20, 2009 - 4 pages

<http://www.frbsf.org/publications/economics/letter/2009/el2009-11.pdf>

“The goal of the symposium was to bring together leading experts in the field of productivity growth to present their recent research. The papers vary in their methodologies but came to somewhat similar conclusions that productivity is poised to grow at about 2% over the next several years, a pace similar to the postwar average but below the rapid growth rates achieved from the mid-1990s to the mid-2000s.”

Robert Heilmayr

A Green Global Recovery? Assessing U.S. Economic Stimulus and Prospects for International Coordination

World Resource Institute – Policy Brief – February 2009 – 21 pages

http://pdf.wri.org/green_global_recovery.pdf

Well-tailored "green" components of a recovery effort can create jobs and stimulate the economy while achieving significant energy cost savings for businesses, consumers and the government

The G-20 London Summit 2009: Recommendations for Global Policy Coordination

The Brookings Institution – Report - March 26, 2009 - 36 pages

http://www.brookings.edu/reports/2009/~//media/Files/rc/reports/2009/0326_g20_summit/0326_g20_summit.pdf

“Leaders of the Group of 20 (G-20), representing 85 percent of the global economy’s output, face a long list of agenda items when they gather on April 2 in London for their second summit... Amidst this background of critical issues, Brookings’ global economic and development experts explore a range of recommendations for global policy coordination in advance of the summit and note which issues the leaders should address at the table—and beyond—in order to stem the crisis and avoid future ones.”

Will Straw, Matt Browne, Sabina Dewan, and Nina Hachigian

The Case for Leadership - Strengthening the Group of 20 to Tackle Key Global Crises

Center for American Progress – Report - March 2009 - 24 pages

<http://www.americanprogress.org/issues/2009/03/pdf/g20.pdf>

“In the following pages we will briefly review the recent history of international summitry leading up to the G-20 meeting next month, highlight the principal issues we believe the leaders of these nations should confront at the London Summit, and then present in detail our proposal to establish the G-20 as a permanent international institution capable of forging global solutions to global problems. We believe this is the right way to address the key challenges of the 21st Century, and we urge President Obama to endorse the swift institutionalization of a G-20 architecture.”

U.S. Foreign Economic Policy in the Global Crisis

US House of Representatives, Committee on Foreign Affairs – Hearing - March 12, 2009

http://foreignaffairs.house.gov/hearing_notice.asp?id=1053

Simon Johnson, Ronald A. Kurtz Professor of Entrepreneurship, MIT Sloan School of Management (Former Chief Economist of the International Monetary Fund)

Peter Morici, Professor of Logistics, Business and Public Policy, University of Maryland (Former Director of Economics at the U.S. International Trade Commission)

C. Fred Bergsten, Peterson Institute for International Economics

(Former Assistant Secretary for International Affairs of the U.S. Treasury)

Philip I. Levy, American Enterprise Institute

(Former Senior Economist for Trade on the President’s Council of Economic Advisors)

Lori Wallach, Director, Global Trade Watch, Public Citizen

Rawi Abdelal, Adam Segal

Yes, Globalization Passed its Peak – Will it Ever Come Back?

Foreign Affairs – March 17, 2009

<http://www.foreignaffairs.com/articles/64856/rawi-abdelal-and-adam-segal/yes-globalization-passed-its-peak>

“The international financial crisis has thrown the forward march of globalization into question. If the United States and others can learn from the crisis and control borrowing, then the positive potential of global trade and finance may be restored.”

William R. Cline

Trade, Finance, and the Global Recession

Peterson Institute for International Economics - Remarks presented to the V Symposium on International Trade, February 20, 2009 – 8 pages

<http://www.petersoninstitute.org/publications/papers/cline0209.pdf>

“The International Monetary Fund forecasts global growth of nearly zero for 2009, making the current global recession the worst since that in 1982. This recession is different, however, in that growth declines are much more synchronized. This will make it difficult for countries to export their way out of recession, in contrast for example to the East Asian experience in the late 1990s. As a result, many countries may be tempted to boost domestic demand through import protection. An increase in global protection would merely aggravate the world recession, however, as occurred in the 1930s. Instead, to achieve global recovery, it will be important that the major economies each pursue expansionary monetary and/or fiscal policies, tailored to their individual situations.”

ECONOMIC CRISIS

Lawrence Summers

Responding to an Historic Economic Crisis: The Obama Program

The Brookings Institution – Event transcript - March 13, 2009 – 42 pages

http://www.brookings.edu/~media/Files/events/2009/0313_summers/20090313_summers.pdf

On March 13, the Brookings Institution hosted Lawrence Summers, Director of the White House National Economic Council, for a discussion of the Obama administration's economic program and the prospects for the American economy.

Lessons from the New Deal

U.S. Senate Committee on Banking, Housing & Urban Affairs - Hearing - Tuesday, March 31, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=f5afa171-b136-4f39-9b81-27937a9bbd3b

Christina Romer, Council of Economic Advisors

Dr. James K. Galbraith , Lloyd M. Bentsen Chair, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin

Dr. J. Bradford DeLong, Professor of Economics, University of California Berkeley

Dr. Allan M. Winkler, Professor of History, Miami (Ohio) University

Dr. Lee E. Ohanian, Professor , University of California, Los Angeles

L. Randall Wray

The Levy Economics Institute of Bard College – Public Policy Brief – March 2009 – 30 pages

The Return of Big Government - Policy Advice for President Obama

http://www.levy.org/pubs/ppb_99.pdf

“In the current global financial crisis, economists and policymakers have reembraced Big Government as a means of preventing the reoccurrence of a debt-deflation depression. According to Senior Scholar L. Randall Wray, we need a permanently larger fiscal presence, with more public services. We can afford any necessary spending and bailouts, and that these actions will not burden our grandchildren.”

Estimated Macroeconomic Impacts of the American Recovery and Reinvestment Act of 2009

Congressional Budget Office - March 03, 2009 – 12 pages

http://www.cbo.gov/ftpdocs/100xx/doc10008/03-02-Macro_Effects_of_ARRA.pdf

“CBO has developed a range of estimates of the effects of stimulus legislation on gross domestic product (GDP) and employment that encompasses a majority of economists' views. By CBO's estimation, in the short run ARRA will raise GDP and increase employment by adding to aggregate demand and thereby boosting the utilization of labor and capital that would otherwise be unused because the economy is in recession. Most of the budgetary effects of the legislation are estimated to occur over the next few years, and as those effects diminish, the short-run impact on the economy will fade.”

Follow the Money: Transparency and Accountability for Recovery and Reinvestment Spending

U.S. Senate Committee on Homeland Security and Governmental Affairs – Hearing – March 5, 2009

3 experts testify about the implementation of the American Recovery and Reinvestment Act, signed into law just a few short weeks ago:

The Honorable Robert L. Nabors II [\[View PDF\]](#) , Deputy Director, Office of Management and Budget

Gene L. Dodaro [\[View PDF\]](#) , Acting Comptroller General, U.S. Government Accountability Office

The Honorable Phyllis K. Fong [\[View PDF\]](#) , Inspector General, U.S. Department of Agriculture; Chair, Council of the Inspectors General on Integrity and Efficiency

Dean Baker

The Housing Crash Recession and the Case for a Third Stimulus

Center for Economic and Policy Research – Paper - March 2009 – 21 pages
<http://www.cepr.net/documents/publications/housing-crash-recession-2009-03.pdf>

The paper makes the case for a third stimulus package to in the face of economic indicators signaling that the economy is in a deeper downturn than was expected based on previous projections. Specifically, the report calls for an employer tax-credit for extending health care coverage and another per worker employer tax credit for increasing paid time off from work. The author also makes the case for a housing policy centered on the stabilization of prices in non-bubble and deflated markets rather than applying the same efforts on markets that remain at bubble inflated levels.

John C. Williams

The Risk of Deflation

Federal Reserve Bank of San Francisco - Economic Letter – March 27, 2009 – 4 pages
<http://www.frbsf.org/publications/economics/letter/2009/el2009-12.html>

This Letter examines the risk of deflation in the United States by reviewing the evidence from past episodes of deflation and inflation.

Jason Henderson and Maria Akers

Recession Catches Rural America

FRB Kansas City - Economic Review - Article – First quarter 2009 – 23 pages
<http://www.kansascityfed.org/PUBLICAT/ECONREV/PDF/09q1Henderson.pdf>

The authors review the state of the rural economy and explore how the recession could affect the rural economy in 2009.

Green and Mean: Can the New U.S. Economy Be Both Climate-Friendly and Competitive?

U.S. Congress, Commission on Security and Cooperation in Europe - March 10, 2009
http://csce.gov/index.cfm?FuseAction=ContentRecords.ViewDetail&ContentRecord_id=446&Region_id=0&Issue_id=0&ContentType=H,B&ContentRecordType=H&CFID=7529771&CFTOKEN=27570744

“Security. Cooperation. Those two words are central to the Commission’s title and to its mission. And they are also two of the essential elements of dealing effectively with climate change. Today, America’s security is undermined by our dangerous reliance on foreign oil. Too much of our economy is captive to uncertain supplies... As analysts increasingly point out, climate change is a real and present threat to world security... Europe faces many of these same issues and challenges. And that brings us to Cooperation.”

Theodore H. Moran

American Multinationals and American Economic Interests: New Dimensions to an Old Debate

Peterson Institute for International Economics – Economic issues watch - March 17, 2009
<http://www.petersoninstitute.org/realtime/?p=550>

“Are multinational corporations in the United States relocating their manufacturing sites overseas, abandoning workers and communities at home? And are their investments abroad “hollowing out” America’s productive capacity? At a time of global economic and financial turmoil, these questions are as controversial as ever.”

TAX AND FISCAL POLICY

The President's Fiscal Year 2010 Budget

U.S. House of Representatives, Committee on Budget – Hearing - Tuesday, March 3, 2009 – 25 pages

http://budget.house.gov/hearings/2009/03.03.2009_Orszag_Testimony.pdf

Testimony by Peter Orszag, Director, Office of Management and Budget

The President's FY2010 Budget and Revenue Proposals

U.S. Senate, Committee on Budget – Hearing - Thursday, March 12, 2009 – 8 pages

<http://budget.senate.gov/democratic/testimony/2009/GeithnerTestimony%20-SenateBudgetCommittee.pdf>

Testimony by Timothy F. Geithner -- Secretary, Department of the Treasury

Chris Edwards

Obama's Budget Builds on Bush Precedents

CATO Institute – Tax and Budget Bulletin No. 55 - March 2009 – 2 pages

http://www.cato.org/pubs/tbb/tbb_0311_55.pdf

In a new study about Obama's new federal budget plan, Chris Edwards argues: "The boldness of Obama's spending plans is partly attributable to the spendthrift example set by President George W. Bush(...). In crucial ways, Bush's domestic policy paved the way for Obama's expansionist plans. The point here is not to condemn President Bush, but to illustrate that party labels have meant very little in recent federal expansions."

Brian M. Riedl

The Obama Budget: Spending, Taxes, and Doubling the National Debt

Heritage Foundation, Backgrounder No. 2249, March 16, 2009

http://www.heritage.org/Research/Budget/upload/bg_2249.pdf

"President Obama has framed his budget as a break from the Bush Administration's policies. In reality, the Obama budget accelerates Bush's borrow, spend, and bailout policies."

The Middle Income Tax Relief Question: Extend, Modify, or Expire?

U.S. Senate Committee on Finance – Hearing - March 26, 2009

[Mr. Paul Taylor, Executive Vice President, Pew Research Center, Washington, DC](#)

[Mr. George Yin, Edwin S. Cohen Distinguished Professor of Law & Taxation, University of Virginia, School of Law, Charlottesville, VA](#)

[Mr. Robert Greenstein, Executive Director, Center on Budget and Policy Priorities, Washington, DC](#)

[Mr. Alan Viard, Resident Scholar, American Enterprise Institute, Washington, DC.](#)

Gary Clyde Hufbauer and Jisun Kim

US Taxation of Multinational Corporations: What Makes Sense, What Doesn't

Peterson Institute for International Economics - Policy Brief - March 2009 – 8 pages

<http://www.petersoninstitute.org/publications/pb/pb09-7.pdf>

"President Barack Obama proposes to translate his rhetoric against "tax breaks to corporations that ship jobs overseas" into new tax measures that will penalize investment abroad by US-based multinational corporations (MNCs). Hufbauer and Kim believe that the United States should not try to constrain the overseas operations of these firms. Instead, the United States should reform its enormously complex tax system at home and create a more business-friendly environment. Tax reform should be designed to boost both the domestic and

international activities of US-based MNCs and bring more foreign investment to American shores. To that end, tax reform should target fundamental issues rather than populist sound bites.”

D. Sean Shurtleff and Pamela Villarreal

Six Steps to Paying Off the U.S. Government Debt

National Center for Policy Analysis - Brief Analysis - March 31, 2009.

<http://www.ncpa.org/pub/ba650>

The best economic stimulus policy would be to reduce long-term government debt, including current public debt and unfunded liabilities. This type of responsible debt policy would strengthen the dollar and spark consumer and investor confidence.

FINANCIAL CRISIS

Lessons from the Financial Crisis

CATO Institute – The Cato Journal - Volume 29 Number 1, Winter 2009

<http://www.cato.org/pubs/journal/cj29n1/cj29n1.html>

The articles in this issue of the Cato Journal were first presented at the Cato Institute’s 26th Annual Monetary Conference, November 19, 2008. The intent of that conference was to focus on the U.S. subprime crisis, but by the time of the conference it was clear we were facing a full-blown financial crisis... The contributors to this volume take an in-depth look at the causes of the subprime/financial crisis, reflect on the lessons that can be learned, and consider the way forward to restore financial stability.” They also “address a number of questions that deserve careful consideration if we are to return to financial stability and maintain it.”

Randall G. Holcombe

Government Policies Led to Wall Street's Risky Business

Journal of the James Madison Institute, Winter 2009 – page 12

<http://www.jamesmadison.org/pdf/materials/654.pdf#page=14>

“For going on two years now the economy has been sinking ever deeper into a financial crisis started by a meltdown in the subprime mortgage market. Many observers argue this crisis is a result of the breakdown of private markets, but a more careful look shows that it was government policy that, step by step, led us to the current crisis.”

The Financial Crisis: Impact on and Response by the European Union

Congressional Research Service, Library of Congress - Report - March 9, 2009 – 36 pages

http://assets.opencrs.com/rpts/R40415_20090309.pdf

Both the European Union (EU) and the United States are attempting to resolve the financial crisis while stimulating domestic demand to stem the economic downturn. Within the U. S., Congress has appropriated funds to help recapitalize financial institutions, and adopted several economic stimulus measures. Unlike the U.S., however, where the federal government can legislate policies that are consistent across all 50 States, the EU process gives each EU member a great deal of discretion to decide how they will regulate and supervise financial markets within their borders. The limits of this system may well be tested as the EU and others search for a regulatory framework that spans a broad number of national markets.

Ted R. Bromund and Daniella Markheim

The Implications of the European Contribution to the Global Financial Crisis for the G-20 Summit

The Heritage Foundation – WebMemo – March 30, 2009 – 3 pages

http://www.heritage.org/Research/Europe/upload/wm_2369.pdf

“The story that Europe is telling about the global financial crisis is untrue: The crisis is not simply the fault of the United States. European policies, on both the national and the EU levels, contributed to the buildup of systemic risk that led to the crisis.”

Where Were the Watchdogs? Systemic Risk and the Breakdown of Financial Governance

U.S. Senate Committee on Homeland Security and Governmental Affairs – Hearing – March 4th, 2009

<http://hsgac.senate.gov/public/index.cfm?Fuseaction=Hearings.Detail&HearingID=82f83075-3d3b-4f4c-b116-8205c54340b2>

Robert E. Litan, Vice President for Research and Policy, Ewing Marion Kauffman Foundation

Damon A. Silvers, Deputy Chair, Congressional Oversight Panel; Associate General Counsel, the American Federation of Labor - Congress of Industrial Organizations (AFL-CIO)

Robert C. Pozen, Chairman , MFS Investment Management

Perspectives on Regulation of Systemic Risk in the Financial Services Industry

U.S. House of Representatives, Committee on Financial Services – Hearing – March 17, 2009

[The Honorable Steve Bartlett](#), President & Chief Executive Officer, Financial Services Roundtable

[The Honorable T. Timothy Ryan Jr.](#), President and CEO, Securities Industry and Financial Markets Association

[The Honorable Peter J. Wallison](#), American Enterprise Institute

[Ms. Terry J. Jorde](#), President and Chief Executive Officer, Country Bank USA on behalf of Independent Community Bankers of America

[Mr. Travis Plunkett](#), Legislative Director, Consumer Federation of America

[Mr. Damon Silver](#), Associate General Counsel, AFL-CIO

[Mr. Edward L. Yingling](#), President and Chief Executive Officer, American Bankers Association

Robert E. Litan

Regulating Systemic Risk

The Brookings Institution - Initiative on Business and Public Policy – March 2009 – 26 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/0330_systemic_risk_litan/0330_systemic_risk_litan.pdf

“The ongoing financial crisis that began in 2007 has revealed a fundamental weakness in our financial regulatory system: the absence of a regulator charged with overseeing and preventing “systemic risk,” or the risks to the health of the entire financial system posed by the failure of one or more “systemically important financial institutions” (SIFIs).”

Jagadeesh Gokhale

Financial Crisis and Public Policy

CATO Institute – Policy Analysis – March 23, 2009 – 24 pages

<http://www.cato.org/pubs/pas/pa634.pdf>

“This Policy Analysis explains the antecedents of the current global financial crisis and critically examines the reasoning behind the U.S. Treasury and Federal Reserve’s actions to prop up the financial sector. It argues that recovery from the financial crisis is likely to be slow with or without the government’s bailout actions.”

Why Is the Rescue of US Banks Taking So Long?

Peterson Institute for International Economics - Interviews on Current Topics - Recorded March 18, 2009 – 6 pages

<http://www.petersoninstitute.org/publications/papers/pp20090318mussa.pdf>

Michael Mussa, analyzing the reasons for the delay over the financial bailout, discusses the costs and other factors creating so much public frustration.

H. Peyton Young

The Geithner Plan and the Taxpayers' Curse

The Brookings Institution – Paper - March 27, 2009 – 5 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/0327_geithner_plan_young/0327_geithner_plan_young.pdf

“People who outbid others in an auction often pay too much, a phenomenon known as the winner’s curse. The flip side of the winner’s curse is that the seller realizes a windfall. The Geithner proposal for pricing toxic assets is a peculiar type of auction in which the taxpayer is cursed by competition among the buyers. The more that investors compete, the lower are the expected returns for the taxpayers. Naturally, the windfall goes to the banks. The essential problem is that the Geithner plan creates lopsided incentives in which taxpayers are on the hook for most of the losses while they only get to share half of the potential gains... The purpose of this article is to analyze the problem more generally, and to show how the outcome depends on two factors: i) the degree of uncertainty in the asset’s value (the variance in possible outcomes) and ii) the rate of return that equity investors demand.”

Douglas J. Elliott

Pre-emptive Bank Nationalization Would Present Thorny Problems

The Brookings Institution – Paper - March 25, 2009 – 10 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/0325_bank_nationalization_elliott/0325_bank_nationalization_elliott.pdf

“A number of prominent voices have recently called for a swift nationalization of the weakest among our largest banking groups and the press has consistently identified the likely candidates as Citigroup and, to a lesser extent, Bank of America. There are many misconceptions about how a takeover of either of these behemoths could be accomplished. The longer-term negatives mean that such a nationalization should be a “last resort” measure. Even the first step of taking over the banks would be risky and difficult, as this paper will demonstrate.”

Douglas J. Elliott

The Public-Private Investment Program: An Assessment

The Brookings Institution – Paper – March 23, 2009 –

http://www.brookings.edu/papers/2009/0323_investment_program_elliott.aspx?emc=lm&m=223731&l=11&v=252043

“The Obama administration announced today a more detailed plan for moving “toxic assets” off of the balance sheets of the banks. The Public-Private Investment Program (PPIP) will combine money from private investment funds with public funds to buy toxic assets from the banks... This paper will address the following questions: (1) What are toxic assets and why do we care? (2) How big is the problem? (3) What approaches are available to deal with toxic assets? (4) Why did the administration choose the approach that it did?”

Chairman Ben S. Bernanke

The Financial Crisis and Community Banking

FRS – Remarks – March 20, 2009

<http://federalreserve.gov/newsevents/speech/bernanke20090320a.htm>

“I want to leave you with the idea that, yes, this is indeed a time of challenge for community bankers, as it is for all Americans, but it also is a time of opportunity.”

Orice M. Williams

Federal Financial Assistance: Preliminary Observations on Assistance Provided to AIG.

U.S. Government Accountability Office – Statement - March 18, 2009 – 23 pages

<http://www.gao.gov/new.items/d09490t.pdf>

The statement provides preliminary findings on (1) the goals and monitoring of federal assistance to American International Group (AIG) and challenges to AIG’s repayment of the assistance; and (2) the potential effects of the federal assistance on the U.S. commercial property/casualty insurance market.

The Consumer and Business Lending Initiative

U.S. Department of Treasury – March 3, 2009 – 5 pages

http://www.treas.gov/press/releases/reports/talf_white_paper.pdf

“The Term Asset-Backed Securities Loan Facility (TALF), a component of the Consumer and Business Lending Initiative (CBLI) is launched. The TALF has the potential to generate up to \$1 trillion of lending for businesses and households. The TALF is designed to catalyze the securitization markets by providing financing to investors to support their purchases of certain AAA-rated asset-backed securities (ABS). The TALF will assist lenders in meeting the borrowing needs of consumers and small businesses, helping to stimulate the broader economy.”

Unlocking Credit for Small Businesses

U.S. Department of Treasury – Fact Sheet - March 16, 2009

<http://www.treas.gov/press/releases/tg58.htm>

“The U.S. Department Treasury is taking immediate action to help ensure that credit, the lifeblood of America’s small businesses and its economy, gets flowing again to entrepreneurs and business owners. As another part of the Consumer and Business Lending Initiative, the Treasury Department will, by the end of the month, begin making direct purchases of securities backed by SBA loans to get the credit market moving again, and it will stand ready to purchase new securities to ensure that community banks and credit unions feel confident in extending new loans to local businesses.”

Baird Webel

Ongoing Government Assistance for American International Group (AIG)

Congressional Research Service, Library of Congress - March 16, 2009 – 14 pages

<http://www.fas.org/sgp/crs/misc/R40438.pdf>

In the beginning of 2008, American International Group (AIG) was one of the world’s largest insurers, generally considered to be financially sound with an AA credit rating. By the end of the year, it had undergone a near bankruptcy and had been forced to seek up to \$173.4 billion in financial assistance from the U.S. government. In addition to possible continuing losses on AIG’s derivative portfolio, the ongoing weakness in the economy may weigh heavily on AIG’s future results. It is not clear whether the ongoing government involvement in AIG might strengthen or weaken AIG’s core insurance business, as consumers could conclude that their policy with AIG is safe due to the government involvement or they could conclude that their policy with AIG is more risky since the government could change the terms of its involvement at any time.

FINANCE

Consumer Protections in Financial Services: Past Problems, Future Solutions

U.S. Senate Committee on Banking, Housing & Urban Affairs - Tuesday, March 3, 2009

Mr. Steve Bartlett, President and CEO Financial Services Roundtable [\[view testimony\]](#)

Honorable Ellen Seidman Senior Fellow of New America Foundation, Executive Vice President of ShoreBank Corporation [\[view testimony\]](#)

Professor Patricia McCoy, George J. & Helen M. England Professor of Law, University of Connecticut School of Law [\[view testimony\]](#)

W. Scott Frame and Lawrence J. White

Technological Change, Financial Innovation, and Diffusion in Banking

Federal Reserve bank of Atlanta - Working Paper – March 2009 – 33 pages

<http://www.frbatlanta.org/invoke.cfm?objectid=19B5C40B-5056-9F12-1245D4FD2BB3C59E&method=display>

While the past quarter century has seen substantial changes in the banking industry, the authors find that little is known about how and why financial innovations are initially developed.

Amanda Logan and Christian E. Weller

Who Borrows From Payday Lenders? An Analysis of Newly Available Data

Center for American Progress – Report - March 2009 – 20 pages

http://www.americanprogress.org/issues/2009/03/pdf/payday_lending.pdf

Payday lending storefronts dot the landscape of many communities in America. Anecdotal evidence has suggested that payday lenders tend to service those least able to afford their interest rates. But government survey data has never been publicly available for a definitive analysis of families who borrow from payday lenders. That is, until now. This paper uses recently released data from the Federal Reserve Board to examine the financial and demographic characteristics of our nation's payday loan borrowers.

How Will a Credit Crunch Affect Small Business Finance?

Federal Reserve Bank of San Francisco – FRBSF Economic Letter - March 6, 2009 – 4 pages

<http://www.frbsf.org/publications/economics/letter/2009/el2009-09.pdf>

The credit crunch caused by the financial crisis could become one of the worst credit crunches in recent history. First looking at how small businesses access external sources of finance, the authors then consider how these sources might be affected by the crunch.

LOCAL ECONOMIC DEVELOPMENT

Jeremy Gerst, Mark Doms, and Mary C. Daly

Regional Growth and Resilience: Evidence from Urban IT Centers

Federal Reserve Bank of San Francisco - Economic Review 2009 – Article – 11 pages

<http://www.frbsf.org/publications/economics/review/2009/er1-12.pdf>

“After being emblematic of the U.S. economic surge in the late 1990s, urban areas that specialize in information technology (IT) products struggled in the aftermath of the IT spending bust, with most experiencing deeper and longer periods of economic decline than the nation as a whole... In this paper, we consider the rise, the fall, and the recovery of urban IT centers and distinguish between the factors leading to temporary gains and those contributing to a more lasting growth path... The overall experience of the IT

sector and the factors that ultimately seemed to separate those urban areas that succeeded from those that struggled suggest that inputs to the process such as education, research networks, and flexibility matter more than picking the right industry.”

Forest Products Industry Has Deep Southern Roots

Federal Reserve Bank of Atlanta – EconSouth - First Quarter 2009

http://www.frbatlanta.org/invoke.cfm?objectid=3E42F585-5056-9F12-12BE42968B716A71&method=display_body

“Even in an age of sprawling metropolitan areas, timberland covers half or more of every Southeastern state except Florida. The Southeast's generous canopy of trees not only contributes to the region's beauty but has given rise to an industry that generates billions of dollars and employs thousands of people. Behind all that bark is a lot of economic bite.”

RESEARCH – INNOVATION

The Enterprise of Science in America

Appropriations Committee – Hearings – March 5, 2009

http://appropriations.house.gov/Subcommittees/sub_cjs.shtml

Science Overview - Ralph Cicerone, President, National Academy of Sciences ([Testimony](#))

The Place of NASA & the National Science Foundation in the Overall Science Enterprise

Dr. Lenard Fisk, University of Michigan, Former NASA Associate Administrator for Space Science and Applications ([Testimony](#))

Dr. Samuel M. Rankin, III, Associate Executive Director, American Mathematical Society ([Testimony](#))

The Place of NOAA Science & the National Institute of Standards & Technology in the Overall Science Enterprise

Dr. Susan Avery, Director, Woods Hole Oceanographic Institution ([Testimony](#))

Dr. James W. Serum, President, SciTek Ventures ([Testimony](#))

Science Education

Bill Nye "The Science Guy" ([Testimony](#))

Dr. Harold Pratt Former President, National Science Teachers Association ([Testimony](#))

Where Are We Today: Today's Assessment of "The Gathering Storm"

Norm Augustine, Former Chairman & CEO, Lockheed Martin ([Testimony](#))

Gerald L. Epstein

Restart the Congressional Office of Technology Assessment

ScienceProgress.org – Article - March 31, 2009

<http://www.scienceprogress.org/2009/03/restart-ota/>

“For 23 years, the highly respected Congressional Office of Technology Assessment (OTA) provided Congress with unbiased information concerning the physical, biological, economic, social, and political effects of technological applications. Now, legislators need this type of unbiased information more than ever. Congress de-funded the OTA in 1995, but the legislation is still on the books. Congress could and should bring it back by reinstating its funding.”

C.J. Isom and David R. Jarczyk

Innovation in Small Businesses: Drivers of Change and Value Use

Small Business Administration - Office of Advocacy - March 2009 – 39 pages

<http://www.sba.gov/advo/research/rs342tot.pdf>

This paper investigates drivers of innovation within small businesses and the role that innovation plays in creating value in small businesses. First, additions in employee headcount increase innovation while growth in sales does not increase innovation. Second, increases in R&D expenditures enhance small business value in certain industries, but not uniformly. Third, the number of patents owned by a small business is not a good indicator of a firm's value.

TRANSPORTATION

Driven By Dollars: What States Should Know When Considering Public-Private Partnerships to Fund Transportation

Pew Center on the States – Report - March 24, 2009 – 42 pages

http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/State_policy/PA_Turnpike_FINAL_WEB.pdf

The unsuccessful effort last year to lease the Pennsylvania Turnpike to private investors provides valuable lessons for other cash-strapped states seeking to fund their highways and bridges, according to the report. With an annual funding gap of \$47 billion between the roadway projects the nation needs and those it can afford, states with large deficits and an urgent need to fix aging infrastructure are looking closely at public-private partnerships, a financing approach used in other countries for years but only recently adopted in the United States.

Transportation Programs: Challenges Facing the Department of Transportation and Congress.

US Government Accountability Office – Hearing - March 10, 2009 – 26 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-09-435T>

“The Department of Transportation received about \$48 billion of recovery funds for investments in transportation infrastructure from the American Recovery and Reinvestment Act of 2009. As with other executive agencies, DOT is faced with the challenges of using these funds in ways that will aid economic recovery, making wise funding choices while spending the money quickly, and ensuring accountability for results.”

High Speed Passenger Rails: Future Development Will Depend on Addressing Financial and Other Challenges and Establishing a Clear Federal Role

GAO – Report – March 2009 – 108 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-09-317>

“Federal and other decision makers have had a renewed interest in how high speed rail might fit into the national transportation system and address increasing mobility constraints on highways and at airports due to congestion. GAO was asked to review (1) the factors affecting the economic viability— meaning whether total social benefits offset or justify total social costs—of high speed rail projects, including difficulties in determining the economic viability of proposed projects; (2) the challenges in developing and financing high speed rail systems; and (3) the federal role in the potential development of U.S. high speed rail systems.”

AGRICULTURE

James M. MacDonald and William D. McBride

The Transformation of U.S. Livestock Agriculture: Scale, Efficiency, and Risks

U.S. Department of Agriculture, Economic Research Service – Report - March 1, 2009 - 46 pages

<http://www.ers.usda.gov/Publications/EIB43/EIB43.pdf>

“U.S. livestock production has shifted to much larger and more specialized farms, and the various stages of input provision, farm production, and processing are now much more tightly coordinated through formal contracts and shared ownership of assets. Important financial advantages have driven these structural changes, which in turn have boosted productivity growth in the livestock sector. But structural changes can also generate environmental and health risks for society, as industrialization concentrates animals and animal wastes in localized areas.”

EMPLOYMENT

Green Jobs: A Pathway to a Strong Middle Class

Middle Class Task Force, Vice President of the United States – Staff report - March 4, 2009 – 33 pages

http://www.whitehouse.gov/assets/documents/mctf_one_staff_report.pdf

This report examines the characteristics of green jobs, the policies to foster their creation and how to make sure that green jobs are good jobs, accessible to everyone.

Artists in a Year of Recession: Impact on Jobs in 2008

National Endowment for the Arts - March 2009 – 10 pages

<http://arts.endow.gov/research/Notes/97.pdf>

“Unemployment rates are up among working artists and the artist workforce has contracted, according to the research. The study looks at artist employment patterns during two spikes in the current recession, the fourth quarters of 2007 and 2008. This downturn reflects larger economic declines: a Commerce Department report last week noted a 6.2 percent decrease in the gross domestic product in the last quarter of 2008.”

Characteristics of Minimum Wage Workers: 2008

Bureau of Labor Statistics, March 11, 2009

<http://www.bls.gov/cps/minwage2008.htm>

According to Current Population Survey estimates for 2008, 75.3 million American workers age 16 and over were paid at hourly rates, representing 58.2 percent of all wage and salary workers. On July 24, 2008, the Federal minimum wage increased to \$6.55 per hour from \$5.85 per hour. Data in the report reflect the average number of workers earning the prevailing Federal minimum wage or less for the year (those who earned \$5.85 or less from January 2008 through July 2008 and those who earned \$6.55 or less from August 2008 through the end of the year).

Harry J. Holzer and Robert I. Lerman

The Future of Middle-Skill Jobs

Brookings Institution, Center on Children and Families – CCF Brief - February 2009 – 10 pages

http://www.brookings.edu/papers/2009/02_middle_skill_jobs_holzer.aspx?emc=lm&m=222843&l=15&v=252043

“Are jobs in the middle of the education and earnings distributions really disappearing, as some research and popular reports suggest? Or will the middle of the labor market remain robust? And what does all of this mean for education and training policy?”

New Innovations and Best Practices under the Workforce Investment Act

House of Representatives, Committee on Education and Labor, Subcommittee on Higher Education, Lifelong Learning, and Competitiveness – Hearing - February 26, 2009 – 20 pages

<http://edlabor.house.gov/hearings/2009/02/new-innovations-and-best-pract-1.shtml>

This is the second in a series of hearings the House Education and Labor Committee is holding to examine innovative strategies for improving job training and education for America's workers as it works toward reauthorizing the Workforce Investment Act.

PENSIONS

Melissa M. Favreault

A New Minimum Benefit for Low Lifetime Earners

Urban Institute – Report - March 2009 – 33 pages

http://www.urban.org/UploadedPDF/411853_anewminimumbenefit.pdf

Despite working hard and playing by the rules over long periods, many workers end up poor in retirement. The report proposes an enhanced minimum benefit for Social Security that targets long-career workers with low lifetime earnings along with a modest credit that compensates workers for up to three years out of the labor market due to care giving, unemployment, or poor health.

Pamela Villarreal

Ten Ways to Wreck Your Retirement

National Center for Policy Analysis – Policy report No. 320 - Thursday, March 26, 2009 – 24 pages

<http://www.ncpa.org/pdfs/st320.pdf>

“Personal retirement accounts are a valuable tool in building a retirement nest egg. The recent fall in the stock market has caused some savers to cash out their savings. This is unfortunate because the stock market has rebounded after every fall, and those who are not in the market at the bottom will lose out as it rises. There are other practices that can derail even the best laid retirement plans. This study addresses 10 of them.”

Defined Benefit Pensions: Survey Results of the Nation's Largest Private Defined Benefit Plan Sponsors

US Government Accountability Office – Report - March 30, 2009 – 65 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-09-291>

“The number of private defined benefit (DB) pension plans, an important source of retirement income for millions of Americans, has declined substantially over the past two decades. Although this decline has been concentrated among smaller plans, there is a widespread concern that large DB plans covering many participants have modified, reduced, or otherwise frozen plan benefits in recent years.”

Trends in 401(K) Plans

American Benefits Council - Web posted March 20, 2009 – 20 pages

<http://www.americanbenefitscouncil.org/documents/abc-waw-surveytrends401kplans.pdf>

According to the survey, more than nine out of ten U.S. companies offer an employee 401(k) plan. In addition, despite the widely reported drop in account balances, two-thirds (66 percent) of organizations indicated that at least 70 percent of eligible employees participated in those 401(k) plans in 2008.

HEALTH ECONOMIC ISSUES

At the Brink: Trends in America's Uninsured

Robert Wood Johnson Foundation - March 22, 2009 – 14 pages

<http://www.rwjf.org/files/research/20090324ctuw.pdf>

With Congress and the Obama administration discussing how to reform the nation's health care system, the report looks at what has happened since the last significant reform effort ended in 1994 without any comprehensive congressional action. The analysis documents the situation since then.

Peter Harbage

The Inefficient Individual Market

Center for American Progress Action Fund – Memo – March 23, 2009 – 4 pages

http://www.americanprogressaction.org/issues/2009/03/pdf/administrative_costs.pdf

“The federal government projects that Americans will spend over \$2.5 trillion on health care in 2009 alone; roughly \$100 billion of this goes to the cost of administering private insurance. And nowhere are those costs higher than in the individual market—that is, when people purchase coverage directly through the insurer and not through an employer. There are a variety of reasons why the individual market is more expensive, including that insurers screen those applying for individual insurance to make sure they are a “good risk.” In other words, the insurers spend a significant amount of money to insure only the healthiest people.”

Peter Harbage and Karen Davenport

Competitive Health Care - A Public Health Insurance Plan that Delivers Market Discipline

Center for American Progress – Report - March 2009 – 12 pages

http://www.americanprogressaction.org/issues/2009/03/pdf/competitive_health.pdf

“Our nation's health insurance market can be fixed with a big dose of what fixes most sectors of our economy—healthy, well-supervised competition. One of the best ways to introduce this much-needed competition is for the federal government to offer a public health insurance plan that can compete with private insurers within an insurance “exchange” that ensures public and private health insurance plans compete equally and transparently in the public marketplace.”

The Public Plan: Time Bomb?

National Journal Experts Blog on HealthCare - March 23, 2009

<http://healthcare.nationaljournal.com/2009/03/the-public-plan-time-bomb.php>

Can Congress fashion a public health plan option so that it does not blow up health care reform this year? Many Democrats argue that a public plan would ensure that sick people have access to insurance while Republicans and some interest groups worry it would have an unfair advantage by price-setting. Which is the truth, and is there an acceptable way to fashion a public plan? Why not do away with the idea?

MISCELLANEOUS

Robert E. Litan

Regulating Insurance after the Crisis

The Brookings Institution – Paper – March 4, 2009 – 20 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/0304_insurance_litan/0304_insurance_litan.pdf

“Despite a long-standing policy debate, insurance remains the only major financial industry not to be regulated at the federal level, a tradition dating from the 19th century. However, recent financial turmoil has fundamentally changed the terms of this important discussion.”

Bruce Reed and John Bridgeland

The Quiet Crisis - The Impact of the Economic Downturn on the Nonprofit Sector

Democratic Leadership Council – Policy Report - March 3, 2009 – 22 pages
http://www.dlc.org/documents/Quiet_Crisis.pdf

“This report was written to shine a spotlight on the under-reported plight of America's nonprofit organizations and to make recommendations for how the nation can respond. In the wake of the economic downturn, hospitals, nursing homes, nursery schools, senior centers, soup kitchens, and other nonprofit organizations have been hit by a triple whammy. The evaporation of wealth has decimated charitable donations; the state and local budget crunch is costing nonprofits their foremost paying clients; and the human need for nonprofit help is skyrocketing as nonprofit resources shrink.”

Chad Sparber

Racial Diversity and Aggregate Productivity in U.S. Industries: 1980-2000

Southern Economic Journal, Vol. 75, No. 3, January 2009 – 34 pages
<http://people.colgate.edu/csparber/Industry.pdf>

“Racial heterogeneity increases productivity within many, but not all, industries. Sectors employing a large number of workers responsible for creative decision-making and customer service experience gains from diversity, while industries characterized by high levels of group effort suffer losses.”